App F IX-4

Previous References (1945 / ML)

File No. ML 80-45-
Serial Nos 3 to 1

Later References

GENERAL AND REVENUE SECRETARIAT

Serial Nos 2

Part B for ect 45-

SUBJECT

Purchase and resale at a later date of Stone-ware pipes by the contractors

To the DPH
" Coonoor
L 3369-70/ML 80-45-4
& 30 10 45-

Issues instructions against the misuse of pipes

911

[illegible] No. C/17/44 dt
12-6-45 from the T. P. O. forwarding
a report on the working of
Contractors who purchased
stone ware pipes, sewn resold
at a late date to them.

Subd

of the B'city Drainage Dr

The Contractors who
were authorised by the department
to purchase stone-ware pipes
from the outfalling firms have
purchased far in excess of their
requirements and sold the
surplus pipes to others for a
much higher rate & made
huge profits thereby.

When this was brought
to the notice of the D P H an
enquiry was ordered to be held by the
S/L Officer

The Special officer has
reported that this discrepancy
has occured due to the fact
that during the executing of
works it was noticed that some
lengths had already been
laid and that some unnecessary
lengths had also to be omitted
and that lines which had to
be laid in private lands could
not be completed as the lands

were not acquired in Kalasipalyam and Parvathipuram extensions which resulted in saving in some length of pipe line 82-4-L

4 To avoid further misuse of pipes by the contractors, the Special officer has taken back from the contractors 1500 pipes of 7" and issued them to other Contractors. The advantage in having done so is that the department has to pay to the defaulting Contractors a total cost of Rs 3,403-2-0 including 10% for storage, handling and supervision charges and would realise by resale assumed Rs 6,187-8-0 at the current market rate, resulting thus, in a savings of Rs 2,7-84-6-0

5 The D.P.H requests approval of Govt to the proposed

6 Submitted for orders.

22/6 7 The remarks of the Comptroller may be noted. Comptroller's remarks in the matter WAR I

H.O: NO: 308 Forwarded with Compliments. Comptroller to the Govt may please peruse remarks into above proposal

H.O 27 WADI

H.O

Secretary to Govt

Law Dept

26/6/45

SPECIAL SECTION WA 26 6 45 938 CONTROLLER'S OFFICE BANGALORE

8254/C

Comptroller's Office | File No | of 194

87/191
8/8/45

Serial No

U O No 35/W1 Dated 4th August 45

9 Returned with compliments

The contractor has been paid in this case at the rates accepted for "Supplying and Laying Pipes" As there is no Departmental stores attached to the Division, the Department has specially arranged for the direct supply from "the Stonevare Pipes and Potteries" at the Stores Purchase Committee rate of Rs 2-1-0 per pipe of 2 running feet The contractor has paid the cost in the 1st instance on the firm's Supply Bills countersigned by the Divisional - Officer

10 As per Para 394 of M P A Code, the price allowed to the contractors on reacquisition should not exceed the amount charged to the contractor if the materials were originally supplied by Government This may not be quite applicable to the case under reference as the payment was made by the contractor himself, though the Department procured the materials as per S P C contract As the present cost price of the materials is stated to have risen considerably, the proposal to allow 10% in addition to the origin purchase rate of Rs 2-1-0 per pipe may be sanctione under the special circumstances of the case

M Shamanna
COMPTROLLER

ADDITIONAL SECRETARY No D 1 878 GOVERNMENT OF MYSORE

NOTE—Con n Sheet

4 Sd/- with a draft G.O.
22/25/46

D/F for accepts
8/8/45

File No 8254/L of 194 _ Comptroller's Office

Serial No

17) The comptr the recommends sanction as a special case to the proposal to dr Y P -W. The arrangements said to result in a saving Rs 27 8 0/64- to the Govt

13 Dft for approval thereof -ij submitted for approval. May be sanctioned with financial concurrence —

Asstt Sec 28/8/45

14) For Concurrence

Financial Secy Dons
H/C 30/8

1822

15) Kind reference is invited to para 2 (of the Business Manual Rules) prescribing the procedure to be followed in consulting the Finance Department which may kindly be adhered to (page 22)

2220

16) addl sg we Rs 3/9 The proposal of the D P H may be appd as a special case

1544

Minister for Edn & P H
Through H Secy.

Dons 5/9/45

9/10/45 2622

Law 2764/45

General and Revenue Secretariat | File No | of 194 | [App F III–2

Serial No

It is not clear to me why the Sanitary Engineer permitted the purchase by the firm in excess of his requirements The firm in turn had no business to make these purchases for Government work and sell it to private people I think we must insist on their returning to Government all the excess purchase made by them for Government purposes without any additional compensation whatsoever I think also the firm is liable for civil action The Law Department may also be consulted

B 10/9

U O Dy 18

[illegible]

Asst Secy Law Section [illegible] 12/9/45

a/f note in subst.

1. As the material before me it is not possible to answer point A notes above The letter of the D of P Hqrs does show that the Contractors were not authorized to purchase pipes for an excess of their requirements but an account of some lines not having been completed as per original plan, there resulted a savings in some pipe lengths Later

NOTE—Contn Sheet

8254/2

File No of 194

General and Revenue Secretariat

Serial No

Mr Letter of the D P H shows that out of the savings 1500 pfer & 7" have been taken back from the Contractors ~~[illegible]~~ I think, there seems to be some difference between the D P H says & what the Accountant General says in his letter dated 29/45. The letter referred to in the letter of the D P H, & other connected papers may be forwarded if necessary, to answer point raised by the Financial Secretary

1060

Law Secretary 3 19/9/

The papers sent do not import a liability which could be enforced in a court. It is also difficult to sustain a claim for damages

RV 24/9/45

Jus Secy 3 279 Necessary action to be taken as in case 16

FINANCIAL SECRETARIAT U.O.No. Fi (93)0 2 SEP 1945 BANGALORE

B 26/9

add as we

Minister for Ed" & P H

Jones 28/9

GOVT OF MYSO FINANCE 3281 2 1945

OFFICE OF THE [illegible] FOR LOCAL [illegible] Date 28 9 45 No 2011

9/10/45

issue order

The D P H Compr Lr 3369-70 dated 30.10.45 is approved

B 31/10

2764/p45

Subd -

The facts of the case have been explained in the pmd The point for consideration is whether the contractors, are liable in civil action for the misuse of the stairways furnished by them in excess and which were not made use of for departmental purposes

The terms of the tender under which these contractors were supplied the papers in question are not available Again it is stated in pmd that there was an implied understanding that the papers should be made use of for Postal purposes only Under Full information on these points may readily be made available to enable the Law section to give an opinion in the matter

MMH
1946

No C 7-19/D 44-45
Encl. one — not

GEN & P&V SECRETARIAT 8254 JUNE 1945 S G BRANCH

Office of the Director of Public Health, Mysore, Bangalore, dated 7th June 1945

12

To

The Secretary to Government,
Law Department, Bangalore

Sir, M 80-45-3

Sub - Stoneware pipes purchased by the contractors and resold at a later date

---

I have the honour to state that the Special Officer in his letter No 149 dated 29th January 1945 reported that in many cases the contractors of the Bangalore City Drainage Division had been authorised to purchase pipes far in excess of their requirements and that the contractors are selling the surplus stoneware pipes to others for a much higher rate and making huge profits He states that when it was pointed out to the contractors that the authorisation by the Drainage Division for the supply of pipes to them was made with the implied understanding that they would be made use of on departmental works only and not for making profits in a private sale, they have now demanded that they be paid storage handling and supervision charges incurred by them A copy of the letter of the Special Officer dated 29-1-1945 with a copy of its enclosure is attached herewith for the information of Government The Special Officer suggested that the storage, handling and supervision charges to the extent of 10% permitted by Government in respect of sale of articles from departmental stores may be allowed

On enquiry the Special Officer has stated in his letter of 16th February 1945 that the Division could use the store of the City Improvement Trust Board for which sanction has been applied, and has not yet been received On further enquiry as to who authorised the purchase of pipes far in excess of the requirements of the contractors etc , the special officer has intimated in his letter No 223 dated 5th April 1945 that the contractors were not allowed to purchase pipes far in excess of their requirements, and that the supplying firm was requested to supply only the quantities noted in the tender notification But during execution it was noticed that some lengths had already been laid and that some unnecessary lengths had also to be omitted and that lines which had to be laid in private lands could not be completed as the lands were not acquired in

in Kalasapalyam and Parvathipuram extensions He states that all these causes contributed to some saving in the length of pipe line that was proposed to be laid as per the sanctioned estimate

The proposal of the Special Officer is that the pipes remaining with the contractor may be purchased by the Department at the price paid by the contractors plus some extra charge 10% for storage and handling A copy of Special Officer's letter No 223 dated 5-4-45 is also enclosed

On further enquiry the Special Officer intimates in his letter No 276 dated 24-5-45 that 1500 pipes of 7" have been taken back and issued to other contractors The total cost would be including 10% centage, ~ 3,403-2-0 against the current market cost of ~ 6,187-8-0 resulting in a saving of ~ 2,784-6-0 A copy of this letter of the Special Officer is also enclosed for the information of Government

I request you to be so good as to obtain and convey approval of Government to the proposal

I have the honour to be,
sir,
your most obedient servant,

Director of Public Health

G R S App F VI—G 2]

SUBJECT

Diary No of letter replied to 8254/4

General and Revenue Secretariat

( )

the *194*

Date of issue 30 X 1945

Signed by Mr G R Rao

May this be—

(i) printed ?

(ii) treated as a Standing Order ?

(iii) published in the Gazette English Part ?

(iv) translated ?

(v) placed at the disposal of the Press ?

(vi) published in the Gazette Kannada Part ?

Section ML

File No Cbo-45

Serial No 27

Proceedings of the Government of His Highness the Maharaja of Mysore

Read— Letter No C7-19/D 44-45 dated 12 6 45 from the D P H requesting sanction to the purchase of 1500 Stone-ware pipes, which were in excess, from the Contractors of the B'lore City Drainage Div^n and reselling them to other Contractors for being used on departmental works.

2) Note No L.O/NO 35/WI dated 7.8.45 from the Comptr. to Govt furnishing his opinion in the matter

Order No. L-3369-70 dt. 30 x 45

It is stated by the DPH that in many cases the Contractors of the Bijnor City Drainage Divn. to whom Stoneware pipes were supplied at Bijnor Divn. Counter @ Rs 2/11/- per pipe of 2 running feet) were selling the surplus stoneware pipes to others for at a much higher rate. Thus making huge profits.

To avoid further misuse of pipes by the Contractors in the above manner, the Spl. Officer, Bijnor City Drainage Divn took back from the defaulting Contractor 1500 pipes of 7" size and issued them to other Contractors for being used on departmental works. In doing so, the Department will have to pay to the defaulting Contractors, from whom the pipes were purchased a sum equal to 10% of the total cost paid by them towards the storage, handling & supervision charges. It is reported that this transaction

List of Enclosures

Copied by

Examined by

G R S App F G 3

GENERAL AND REVENUE SECRETARIAT

(*Continuation sheet draft form*)

results in a savings of Rs 2,784-6-0 as the pipes were sold to the other contractors at a higher rate due to the subsequent rise in prices.

The D P H requests sanction to the above proposal of paying Rs 4/- per pipe in addition to the original rate of Rs 4/4/- per pipe.

The Comptroller who was consulted in the matter recommends that the above may be sanctioned as a special case.

The recommendation of the Comptroller is agreed to.

for Addl. Secy to GOI
The D P H. W/R
Comptr

WD 0565—GPB—22 500—8 11 38

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Read:-

Letter No.C7-19/D. 44-45 dated 12-6-1945 from the Dir ctor of Public Health requesting sanction to the purchase of 1,500 stone-ware pipes, which were in excess from the contractors of the Bangalore City Drainage Division, and to resell them to other contractors for being used on departmental works.

2 Un-official Note No.35/C I. dated 7-8-1945 of the Comptroller to Government furnishing his opinion in the matter

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ORDER NO L. 3369-70-M-80-45-4

Dated, Camp Mysore, the 30th October 1945.

It is stated by the Director of Public Health that in many cases the contractors of the Bangalore City Drainage Division to whom stone-ware pipes were supplied at the Stores Purchase Committee rate of Rs 2.1.0 per pipe of two running feet, were selling the surplus stock available with them to others at a much higher rate, thus making huge profits.

To avoid further misuse of pipes by the contractors in the above manner, the Special Officer, Bangalore City Drainage Division, took back from the defaulting contractors 1,500 pipes of 7" size and issued them to other contractors for being used on departmental works. In doing so, the Department will have to pay to the contractors from whom the pipes were purchased, a sum equal to 10% of the total cost paid by them towards the storage, handling and supervision charges. It is reported that this transaction results in a savings of Rs 2,784-6-0 to Government as the pipes were sold to other contractors at a higher rate due to the subsequent rise in the prices.

The Director of Public Health requests sanction to the above proposal of paying 10% in addition tothe original purchase rate of Rs.2-1-0 per pipe

The Comptroller, who was consulted in the matter, recommends that it may be sanctioned as a special case.

The above proposal of the Director of Public Health is accordingly sanctioned.

for Additional Secretary to Government

To

The Director of Public Health with records
" Comptroller to Government.

Pak 3